

[English]

**Violation of Companies Act by
Companies in Rajasthan**

2983. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) the details of companies functioning in Rajasthan which come under the purview of the Companies Act, 1956 and are violating the provisions of sections 109, 160, 161, 220 & 621A of the said Act, and

(b) the action being taken by the Government against these companies?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b). During the period from 1.4.90 to 28.2.92, prosecutions were launched against 161 companies in Rajasthan for contravention of the provisions of section 159 of the Companies Act, 1956 relating to filling of annual returns with the Registrar of Companies by companies having a share capital and of section 220 relating to filing of Balance Sheet and Profit & Loss account. Section 109 is about validity of transfer of share or other interest by legal representative of a deceased member and there can be no question of its violation. Section 160 pertains to filing of annual returns by companies not having a share capital and there were no prosecution cases under that section. Section 161 is about the requirement of signatures of prescribed persons on annual returns; and where the annual returns were not filed, section 161 or its breach would not come into play. Section 621-A is in respect of composition of offences and there were no cases of prosecutions in Rajasthan for violation of orders made under that section.

**Supply of Abridged Report by
Companies to Share Holders**

2984. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether some companies which come under the purview of the Companies Act, 1956 are violating the section 220 of the said Act;

(b) if so, whether a number of companies have sent only abridged report (excluding balance sheet) to their share-holders instead of sending complete Balance Sheet and its profit and loss account to clear the financial position of the concerned company's; and

(c) if so, the reasons therefor and the steps taken/proposed to be taken by the Government to ensure the supply of complete Balance Sheet and its profit and loss account to every share-holders by each company?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) Yes, Sir. Section 220 of the Companies Act, 1956 relates to filing of balance sheet, etc. with Registrar of companies. Proceedings, as per law, are taken in case of such violations.

(b) and (c). Section 219 (1) (b) (iv) of the Companies Act, 1956, provides that the balance sheet and profit and loss account need not be sent to every member in the case of a company whose shares are listed on a recognised stock exchange, if the copies of these documents are made available for inspection at its registered office and a statement containing the salient features of such documents in the prescribed form or

copies of these documents, as the company may deem fit, is sent to every member of the company within the prescribed period. However, any shareholder of such a company is entitled on demand to be furnished free of cost, with a copy of the last balance sheet of the company and re-lated documents. The Company Law Board is also empowered to direct, by order, that the copy demanded shall forthwith be furnished to the person concerned. The aforesaid provisions were brought into force from 17th April, 1989 through the Companies (Amendment) Act, 1988. Form No. 23 AB of abridged balance sheet and abridged profit and loss account was also inserted in the Companies (Central Government's) General Rules and Forms, 1956, with effect from 17th April, 1989 by notification. In view of these provisions, there would be no violations if the listed companies send out the documents in the prescribed abridged form.

Uniform Code of Conduct for Stock Exchanges Question

2985. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of FINANCE be pleased to state:

(a) whether the executive authorities of various Stock Exchanges have not implemented the various codes of conduct of the exchange, under the Securities Contracts (Regulation) Act, 1956;

(b) if so, the reasons therefor; and

(c) the steps being taken by the Government to adopt a uniform code of conduct for all the Stock Exchanges in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) (a) to (c). The Stock Exchange authorities ensure that the Exchanges function in conformity with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules framed there-

under. The Securities and Exchange Board of India Ordinance has been recently promulgated to provide for the establishment of a Board to protect the interests of investors in securities and to promote the development, and to regulate the securities market.

Immunity Schemes for Foreign Exchange Deposits

2986. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of the Government to extend schemes to give immunity to foreign exchange deposits which were due to expire on January 31, 1992;

(b) if so, the amount received by the Government from the Non-resident Indians under these two schemes so far, country-wise; and

(c) the number of Non-resident Indians who made deposits under each of these schemes, separately and the State to which they belong?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) (a) No, Sir. The Remittances in Foreign Exchange (Immunities) Scheme, 1991 has already closed on 31.1.1992.

(b) and (c). Such information is not compiled by the Reserve Bank of India, as it is difficult to do so.

[Translation]

Facility to Farmers for Increasing Export of Mangoes and Flowers

2987. SHRI DILEEP BHAI SANGHANI: Will the Minister of COMMERCE be pleased to state: